REMARKS/ARGUMENTS

Claims 1-22 and 44-46 are pending in the present application. Claims 1, 4, 5, 7, 8, 11, 12, 14, 15, 18, 21 and 22 have been amended. New claims 44-46 have been added. No new matter has been added. Reconsideration of the rejected claims is respectfully requested.

I.   Rejections under 35 U.S.C. §102(e)

Claims 1, 6-8, 13-14 are rejected under §102(e) as being anticipated by Leonard et al. (United State patent number 5,903,874). This rejection is traversed.

With respect to independent claims 1 and 8, Leonard et al. does not teach each and every element therein. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). To expedite prosecution, independent claims 1 and 8 have been amended to recite, *inter alia*, a <u>portable</u> token. Leonard et al. does not teach this feature.

In the Office Action, the Examiner cites coupon files 322a and 322n of Figure 3 of Leonard et al. as teaching a token configured to store an electronic coupon and a redemption tally, the redemption tally representing the number of times the electronic coupon has been redeemed by a holder of the token for a corresponding reward under the reward program. Applicants respectfully submit that coupon files 322a and 322n of Leonard et al. do not teach a token, let alone a portable token, as recited in currently amended independent claims 1 and 8.

As shown in Figure 1, PCMS 118 is a server that contains the current status on all promotional and coupon information and is linked to Operator Console 108 and Data Distribution System 132. (See Leonard et al., column 3, lines 1-17). Coupon File 322a and Coupon File 322n are contained in Primary Coupon Management Server (PCMS) 118. (See Leonard et al., column 4, lines 12-21). Because Coupon Files 322a and 322n are data stored on PCMS 118, the Coupon Files are inherently <u>stationary and inseparable</u> parts of the backend of the system and are accessible only by Operator Console 108 or Data Distribution System 132. As such the coupon files are not portable tokens. Therefore, Leonard et al. does not teach a portable token as required by claims 1 and 8.

Furthermore, it is unclear from the teachings of Leonard et al. what would be the token acceptance device configured to receive the portable token. The Examiner indicates that servers 118 and 122 are token acceptance devices configured to store a redemption limit relating to the electronic coupon…the token acceptance device further configured to receive information relating to a transaction from the holder. As explained above, PSMC 118 is a server that stores data files containing all promotional and coupon information. (See Leonard et al., column 7, lines 1-37 and Figure 3). PSMC 118 is inherently not configured to receive portable tokens because the only way shown to access it is through Operator Console 108 or Data Distribution System (DDS) 132 and not by any physical acceptance of a portable token. (See Leonard et al., column 3, lines 17-45 and Figures 1 and 3). Nowhere in Leonard is there a disclosure that explicitly or implicitly teaches that the PSMC 118 is configured to receive a portable token. Therefore, Leonard does not teach a token acceptance device configured to receive a portable token as required by currently amended independent claims 1 and 8.

Because Leonard et al. does not teach a portable token or a token acceptance device configured to receive the portable token, Leonard et al. does not teach each and every element of independent claims 1 and 8 and anticipation or obviousness is not established. For at least these reasons, claims 1 and 8, and all claims dependent thereon, should be allowed.

II. Rejections under U.S.C. §103(a)

Claims 5 and 15-21 are rejected under §103(a) as unpatentable over Official Notice. This rejection is traversed.

Pursuant to MPEP 2144.03, Applicant challenges the Examiner's taking of Official Notice in each and every instance that this is done in this Office Action and in future Office Actions. Applicant further requests that the Examiner find a prior art reference to support an allegation that a feature that is present in the claims is "well known." If such feature is in fact "well known" in the art, then it should not be too burdensome for the Examiner to find and cite such references. Even if the Examiner can find a reference teaching an element for which Office Notice is taken, the reference may not be combinable with the other cited references or may teach away from the combination. Thus, Applicant cannot determine if the Examiner has

satisfied his burden of establishing obviousness, unless prior art is cited to meet the claim limitations.

III.   **New Claims**

Claims 44-46 have been added.

Exemplary support for these claims can be found at various places in the present disclosure. For example, support for claims 44-46 can be found at least at page 9, paragraph [0036] of the Application.
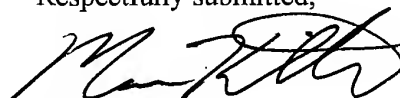
These claims are allowable over Leonard et al. for at least the same reasons as their parent claims.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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